



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

April 11, 2007

Charlie Ledley, Treasurer  
Democrats for Education Reform  
229 East 63rd Street  
New York, NY 10021

**Response Due Date:**  
**May 11, 2007**

Identification Number: C00417733

Reference: July Quarterly Report (4/01/06 – 6/30/06)

Dear Mr. Ledley:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule H4 of your report discloses lump sum payments to "Education Reform Now Advocacy Cmte" and "Education Reform Now" for payroll purposes; however, you have not itemized the individuals who received payment. Each person who provided services to the committee must be identified in a memo entry on Schedule H4 regardless of the amount. Please amend your report by providing the name, date, amount, and purpose for such payments as required by 11 CFR §§104.10 and 104.17.

-Please amend your report by providing the address for each disbursement itemized on Schedule(s) H4 supporting Line(s) 21(a).

-Your report discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Each separate segregated fund and non-connected committee utilizing separate federal and non-federal accounts is required to allocate any administrative expenses according to a 50% flat minimum federal percentage unless the federal account elects to pay a higher cost. Schedule H1 must be filed with each FEC FORM 3X that discloses an allocable disbursement for administrative

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expenses, generic voter drives or public communications that refer to any political party. 11 CFR §106.6(c)

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed during each two year election cycle beginning with the first report filed in the non-election year. Please provide the necessary information regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

**Please note, you will not receive an additional notice from the Commission on this matter.** Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1394.

Sincerely,

*Marlene R. Daughtrey*

Marlene R. Daughtrey  
Campaign Finance Analyst  
Reports Analysis Division

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